Funds for computerisation of treasuries in Karnataka

1939. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Karnataka has requested for funds for computerisation of its treasuries under the Citizen Centric and Mission mode Project; and

(b) if so, the details thereof and Centre's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Government of Karnataka had informed that they had incurred capital cost of Rs. 37 crore on this project and requested GoI to bear 50% of this capital cost. It was further requested that 90% of the cost of software development and hardware supplied by CMC, 50% of the cost of network hardware supplied by STPI and the entire cost of space segment and license charges paid by the State Government to BSNL may also be borne by GoI.

(b) At present, there is no scheme in GoI to reimburse expenditure incurred by the States on Treasury Computerisation. However, a scheme for computerisation of treasuries under the National e-Governance Action Plan (Ne-GAP) is in the process of finalization as one of the Mission Mode Projects of GoI. Once the Scheme is finalized, States including Karnataka would be eligible for Central assistance for up-gradation of the existing system and expansion of network connectivity.

Norms for branches of Nationalised Commercial Bank and RRBs in rural areas

†1940. SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state:

(a) the basis and norms followed to open the branches of Nationalised Commercial Banks and Regional Rural Banks (RRBs) in the rural areas;

(b) the rural and guidelines stipulated in terms of population and area for the establishment of such branches;

(c) the population and area on the basis of which the area of service for the branch of a commercial bank is determined;

(d) whether in view of the above guidelines several commissions/ committees have been appointed by Government/RBI from time to time; and

(e) if so, the details thereof and Government's approach thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) In terms of Section 23 of the Banking Regulation Act, 1949, it is mandatory for banks, including Public Sector Banks to obtain prior approval of Reserve Bank of India (RBI) for opening of a new place of business. For seeking RBI's authorisation Banks are required to submit their branch expansion plan annually. RBI has informed that under the extant bank authorisation policy banks are encouraged to open branches in unbanked and rural areas and requests for opening of branches in rural and unbanked areas are considered favourably by the RBI. RBI has further informed that banks are free to approach RBI for any urgent proposal regarding opening of branches, especially in rural/underbanked areas any

†Original notice of the question was received in Hindi

time during the year, in addition to the proposals given under the Annual Plan, which would be considered on merit.

As regards opening of bank branches by Regional Rural Banks (RRBs), it is mandatory for RRBs to seek prior approval/licence from RBI before opening of new branches/offices. The Boards of Directors of RRBs are required to decide on the policy and strategy for setting up new branches, taking into account the yearly business plan, potential for business at the new centres, (for opening of branches), profitability of the proposed branches, efficacy of the internal control system, redeployment of staff where surplus manpower has been identified, extension of prompt and cost-effective customer service to the clintele etc.

While processing the applications for opening of branches, RBI gives weightage to the nature and scope of banking facilities particularly in underbanked areas.

(b) and (c) The population Group-wise classification of bank centres is based on population figures as per 2001 census and for the purpose of the definition/cut-off size of population the 'Rural' Group includes centres with population less than 10,000, and 'Semi-Urban' Group includes centres with population of 10,000 and above but less than 1 lakh.

(d) and (e) Information is being collected and will be laid on the Table of the House.

Strikes by employees of Public Sector Banks

1941. SHRI S. ANBALAGAN: Will the Minister of FINANCE be pleased to state:

(a) the reasons for resorting to strikes by the employees of public sector banks during the last one year including their demands;

(b) whether Government proposes to consider their demands;

(c) if so, the details thereof;

(d) if not, the reasons therefor;

(e) whether Government proposes to fix a profit for every branch of the banks to be achieved by them in a year alongwith their social responsibilities;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) The Associate Banks Officers Association & All India Bank Employee Associations went on strike on 3rd and 4th December, 2007 to oppose the proposed merger of State Bank of Saurashtra and other associate banks with State Bank of India. On the call of United Forum of Bank Unions (UFBU), the employees of Public Sector Banks (PSBs) went on strike for a day on the 25th January, 2008 in support of their demands, namely, opposing merger of PSBs; second option for pension; restoration of compassionate scheme; recruitment in PSBs; stoppage of outsourcing; and early settlement of wage revision. An understanding was reached between Indian Banks' Association and UBFU on the 25th February, 2008 whereby both parties agreed to set a definite time frame for holding discussions on each of the issues.

(e) to (g) The Government of India has put in place a mechanism to monitor the overall performance of all Public Sector Banks (PSBs) on the basis of the 'Statement of Intent on Annual Goals (SOI)' submitted by them on various performance parameters including